

believed to be in favour of the working classes, since reductions in wages generally lag behind the fall in prices, which means increased buying power to the wage-earner.

Mr Kitson's view that the volume of trade is limited by the quantity of currency and credit is thus based on confusion between volume and value. Moreover, it follows also from the "Quantity Theory of Money" which he holds, that if he applies his remedy and multiplies currency and credit as fast as he appears to want to, the result will be a still further depreciation in the buying power of money, and a further rise in prices and an increase in all the bitterness, discontent, suspicion, and strikes that the rise in prices has already caused during the war. Is this a prospect to pray for? Surely if we want to enjoy "boundless wealth and prosperity" the way to do so is to turn out goods—things to eat and wear—and enjoy—and not to multiply money, thereby merely depreciating its value, on Mr Kitson's own admission. He thinks that "nothing but an abundant supply of currency in the shape of legal tender notes and bank credit, could have enabled us to undertake successfully such unprecedented burdens" as we have borne during the war. But it may equally well be argued that we have borne these burdens because we worked harder than ever before to turn out the needed stuff organised better,

used our machinery to its full power, and  
spent less  
of our product on luxuries ; and that the  
abundant  
currency, by forcing up prices, immensely  
increased  
the cost of the war and produced  
industrial friction